RESEARCH PROPOSAL

A STUDY OF GREEN BANKING PRACTICES AND THEIR IMPACT ON CUSTOMER SATISFACTION OF PRIVATE SECTOR BANKS IN PUNE DISTRICT

Submitted to

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For]

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1. BRIEF RESUME OF PROPOSED WORK

Banks are institutions that are considered to be sources of finances. The primary function of banks involves accepting deposits and providing short-term and long-term financing. However, in the process of implementation, pollution is created, but the bank has a direct and indirect contribution to carbon emissions. The Banking Industry contributes directly to its common processes regarding paper consumption, air conditioning, electronic promoters, electricity, lighting, of course, small compared to other active manufacturing components. It can be said that banks are disrupting the environment not only in a direct way but also by providing funding for such large industries that create pollution and create environmental issues. So when considering the facts there are a number of reasons for being green and the main ones are: rising energy supply prices, increasing consumer interest in using environmentally friendly goods and services, and today's consumer curiosity to pay higher prices for raw materials. In this context, the emergence of the concept of green banking comes, which is related to green products related to banks.

This research is a three dimensional study. One it finds out the green practices implemented by the Private sector banks from Pune district. Second it assesses the customer awareness about these green banking initiatives by the banks. And finally it also measures the customer satisfaction related with the green banking initiatives by the Private sector banks.

2. INTRODUCTION

"Green Banking" is an emerging concept that has become the need of the hour. “It is nothing but attempt to combine the operative improvement, technology and thought-provoking client habits in the business of banking.” Green Banking refers to the performance of banking transactions through these components and in a way that will help reduce overall carbon and external emissions. Banks should finance projects that do not spread pollution and are environmentally friendly or at least have ways to prevent the harmful effects of pollution. (Chaurasia, 2014) Green Banking basically means approving environmentally friendly practices as well reduce the carbon footprint related to banking activities.

Green banking products include:

1. Online Banking
2. Solar ATM / ATM
3. Tree Plantation assignment
4. Mobile banking
5. Canvas bag
6. Green Mortgages & Loans
7. Green Car Loans
8. Green Commercial Building Loans
9. Green Cards
10. Green Project Finance
11. Green Indices
12. Green Fiscal Funds
13. Green Insurance
14. Green Securitization

15.Green Reward Checking Accounts

16.Green Marketing

Customer awareness refers to two key concepts:

- How knowledgeable potential consumers are about the brand, services or products
- How conscious customers are of their needs or wants in relation to the company's offerings

Customer satisfaction is defined as a measurement that determines how happy customers are with a company's products, services, and capabilities. Customer satisfaction information, including surveys and ratings, can help a company determine how to best improve or changes its products and services.

3. Review of Literature

Deka (2015) has done study on green banking initiatives for Assam. He focused on the SBI green initiatives considering the secondary information. On the primary end, customers of SBI were asked opinions about the green banking initiatives and its adoption. It was found, majority of the respondents use ATMs, while 50% of the respondents were aware about the green initiatives undertaken by bank.

Vijai and Natarajan (2015) has done empirical study covering the Cuddalore Districts' customers' opinion about the awareness in relation to demographic variables and type of account towards green products. They also focused on relation of awareness and location, types of banks. It was found that no significant relationship exists between demographic variables and type of account towards green products and there was significant relation between awareness level and location/ type of bank. It was concluded from the study that there is room for improvement about the scope of green banking.

Bahl (2012) had done a pilot survey, where respondents were asked to give ranks to means of creating awareness. She found: "weekly green news on internet" and "Event meeting" - as highest scorers as means to create awareness amongst managers and general public respectively. Later with help of same technique, she determined views regarding adopting effective methods of green banking, under which "Mobile Banking" achieved highest score.

Sudhalakshmi and Chinnadorai (2014) analyzed the opinion and awareness and problems faced by bank employees and customers towards green banking concept at Coimbatore city in top rated private sector banks like ICICI, HDFC,

KVB, TMB and AXIS bank. It was found that majority of respondents in Banks were not aware about the terminology of green banking.

Rao (2015) studied perspectives of bankers and customers. The awareness of customers regarding green banking was surveyed and majority were aware about the concept and that to from online sources. It was found that cell phone messages were the most agreed way of promoting green banking by banks.

Vijayakumar (2016) studied the awareness level and satisfaction of Karnataka's about green banking services and green banking initiatives by banks. It was found that, Majority were aware about the green checking account as one of the initiative of banks under green banking, followed by cash deposit system and online banking.

Research Gap

The research gap is related to the number of banks in India adopting green banking practices, and how they are being adopted in India.

Specifically, the research gap is the lack of empirical studies on green banking practices that are in line with the principles of green accounting.

Most of the studies related to green banking initiatives taken by banks, but not focuses on customer satisfaction. Whether they are satisfied with green banking products or not? And what type of problems they are facing while using green products is still unstudied.

A study in the context of Pune district is not seen. Pune is a major industrial and economic center in India and hence empirical evidence from such a place will provide valuable knowledge addition on the concept of green banking.

Research Problem

The rationale for conducting this study has been prompted by a number of factors including the following:

Commercial banks are operating in a highly dynamic and competitive environment. The present set of market conditions, characterized by sluggish growth, low interest rates and compressed financial margins, is only likely to get worse as new competitors enter the sector in search for alternative streams of revenues (Naidoo & Srinivasan 2015). In such an environment, banks would be well advised to devise new strategies and products that leverage or create sustainable competitive advantage.

Green banking has gained in popularity in recent years as a mechanism for promoting sustainable development. The objective of green banking is to promote sustainable development and ensure that future generations benefit from it.

Research Questions:

1. What are the main issues that banks face when developing and implementing green banking products?

2. What are the services and strategies adopted by banks for sustainability purpose?

3. How does the performance of green products compare to traditional banking products?

4. What are the factors influencing customers to use green banking services?

5. How does customers' satisfaction level affect their adoption of green products?

6. Which banks have successfully developed and implemented sustainable banking products?

7. What is the future of green banking?

8. What are the challenges for sustainable banking in India?

9. What are the recommendations for future research?

3. OBJECTIVES AND HYPOTHESES:

Objectives-

Following objectives have been set for the study:

a. To find out the green banking practices adopted by private sector banks for environmental sustainability from Pune district,
b. To assess awareness amongst customers of banks about green banking initiatives,
c. To measure the impact of green banking services on customer satisfaction, and
d. To recommend measures to improve green banking practices.

Hypotheses-

H1: Demographic factors have no impact on adoption of green banking practices.

Ha: Demographic factors have an impact on adoption of green banking practices.

H2: Customers are fully aware about green banking practices.

H2a: Customers are not aware about green banking practices.

H3: There is a correlation between green banking practices and satisfaction of customers

H3a: There is no correlation between green banking practices and satisfaction of customers

H3a: There is a positive correlation between green banking practices and satisfaction of customers

H3a: There is a negative correlation between green banking practices and satisfaction of customers.

4. RESEARCH METHODOLOGY

Exploratory variables – Green banking practices, Customer awareness, Customer satisfaction

Sampling method:

The sampling technique used was the stratified random sampling technique with the proportionate allocation. The location of the study was Pune district which is located in the Indian state of Maharashtra.

Study Setting:

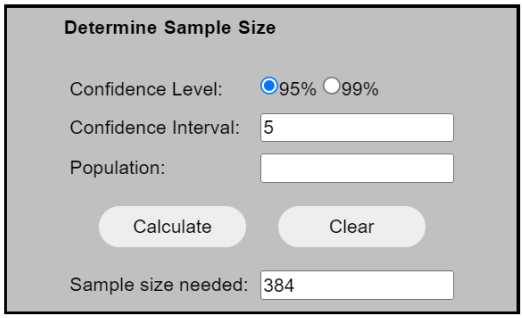
The purpose of this research was to investigate and assess banking practices of private sector banks in Pune district as a case study for various green banking practices.

The Study Area:

The Study area was Pune District which is located in India's state Maharashtra. This study took place only in Pune District and it represents one District only out of 73 districts

Sampling:

Sampling was done on the basis of proportionate allocation. This study covered a total sample size of minimum 420 customers from the Pune District (minimum 30 from each taluka). There are 14 talukas in Pune District. Again 5 senior bank employees are proposed to be selected for their responses. (Minimum 10 from each taluka). At a confidence interval of 5 and confidence level of 95%, the sample size for a huge but unknown population is 384.



Source: https://www.surveysystem.com/sscalc.htm

Instrument:

A questionnaire will be used to collect the data. The questionnaire will be structured in a way to get adequate information related to the research topic and hypothesis. A survey will be conducted after getting consent from 5 senior bank employees (from each taluka) and customers themselves with a view to find out their opinion about the various green banking practices adopted by private sector banks in Pune district. The researcher will try to be as objective as possible while framing this survey questionnaire. Customers will be informed about the purpose of the research and informed their permission for participating in it before distributing them questionnaires containing questions related to the research topic and hypothesis .

Data Collection:

a. **Primary Data –**

   Primary Data will be collected via a structured questionnaire.

b. **Secondary Data**

As far as the secondary data is concerned, the data will be collected from secondary sources such as website, academic journals Dissertations/Thesis, Bank Reports, Reference Books and newspapers. Secondary data collection will be done through internet.

Analysis:

The statistical data collected will be analyzed using the statistical software package SPSS version 26.0. It is noticed that SPSS software package has been used by researchers before as well so it is assumed that this will facilitate the analysis of data and also provide a better understanding of the respondents'perceptions related to the various banking institutions in Pune District. The results may be further analyzed using the appropriate tables and charts for presenting figures for various research findings .

Interpretation of Results: The researcher will appropriate statistical tests to arrive at conclusions during the data interpretation stage (Results) like:

a. Analysis of Variance (ANOVAs)

Note: A Turkey's HSD test is preferred over a t-test to analyze the data on dependent variables, as it is less sensitive to type I errors.

b. Correlation Analysis:

A Pearson or Spearman's rank-order correlation coefficient can be used to analyze the relationship between two continuous variables or two categorical variables.

c. Regression Analysis:

A linear regression model is most likely to be used to explore the relationship between a continuous and a categorical explanatory variable.

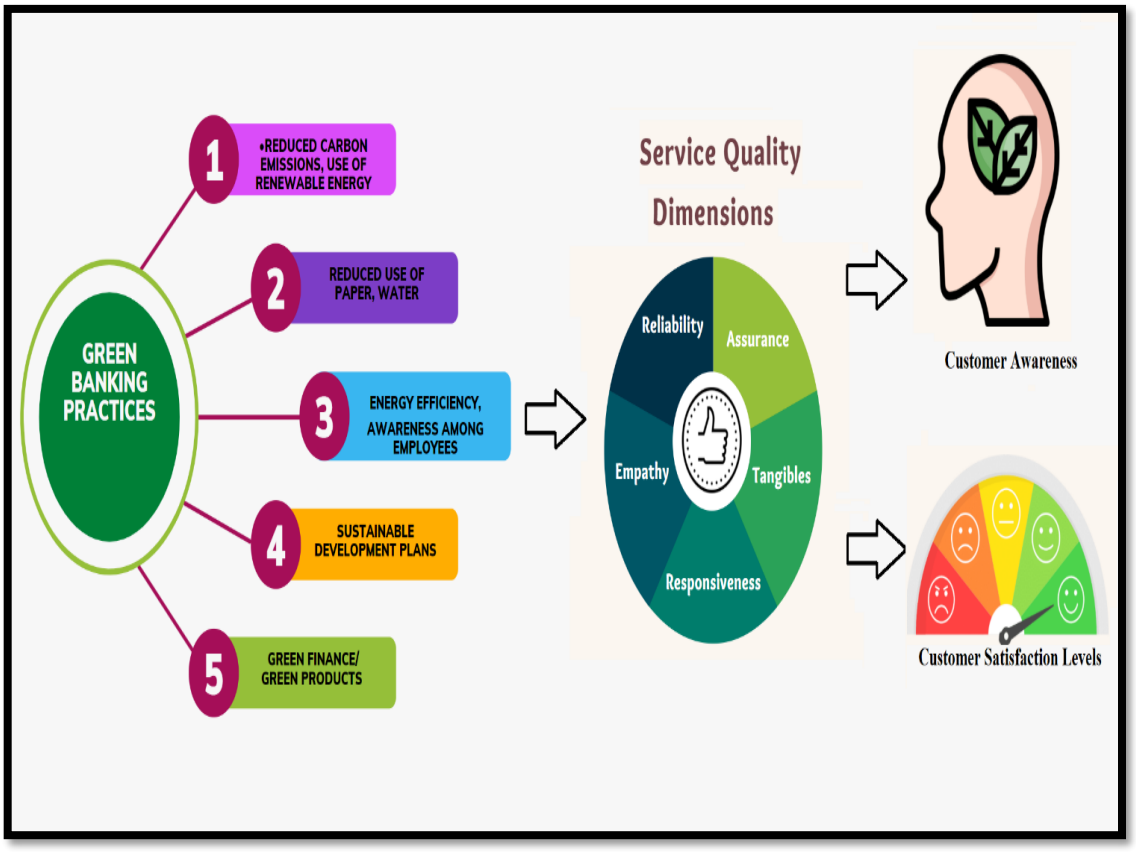
d. Significance Testing:

A statistical test is performed to show the level of significance. This can be achieved by a t-test, ANOVA test or a chi-square test.

e. Regression Lines:

If the relationship between two variables is significant, then it can be used to show visually in the form of a regression line.

Proposed Model



Source: Prepared by the researcher, based on primary data

IMPORTANCE OF THE STUDY

The proposed study has application in private sector banks, in particular, in the Pune district because green banking practices are already being adopted by many private sector banks in Indonesia and India. This will help us understand how these practices affect the customer experience and performance of these banks.

Being a central part of an academic project as well as an attempt of academic exploration, the Research will serve as a reference for banks in Indonesia and India who want to adopt these practices.

Comparing our findings with those found in other parts of the world is important because it will give us insight on how we can improve our own green banking practices while upgrading our customer experience and performance at the same time.

This study has all the ingredients needed to be considered a "ground breaking" as well as an essential research that will benefit all parties involved.

Scope of the study

Geographical scope: The study proposes to cover banks situated in Pune district

Analytical scope: Analysis of customer awareness and satisfaction to be done.

Conceptual scope: The central concept is green banking

Limitations of the study

Since the study would be restricted to Private sector Banks from Pune District, it will act as a limitation. The study will not consider the impact of green banking practices on public sector banks, foreign banks and foreign branches of Indian banks.

Moreover the research will apply sampling which has its own limitations like errors in sampling, and others. These will also apply to the study.

6. PROPOSED WORK PLAN AND TENTATIVE CHAPTER SCHEME

Following table summarizes the plan for completion of the research project:

Table 1: Six-monthly/Yearly plan for completion of the research project

Six month	Year	Target activity
1	**1st Year**	Literature review and gap analysis
2		Research methodology
3	**2nd Year**	Pilot study
4		Data collection for main study
5	**3rd Year**	Data analysis
6		Thesis typing and printing

The thesis is slated to have the following chapters:

Chapter 1- Introduction

Which will carry an introduction to the concept, context, and the study?

Chapter 2 -Review of Literature

Which will review related literature and highlight the research gap?

Chapter 3 - Research Methodology

Which will spell out various design aspects of the study?

Chapter 4 - Data Analysis and Interpretation

Which will carry the analysis of the primary data along with its interpretation?

Chapter 5 - Findings, Conclusions, and Suggestions

Which will show the results and conclusion drawn therefrom and will also include suggestions for improvement.

EXPECTED OUTCOME

a. Green banking service are widely adopted by private sector banks in Pune district compared with other banks

b. Green banking service are well known among customers.

c. Customers are fully aware about the green banking service

d. Customers perceive the green banking services to be of use and useful for their business needs

e. Customers have high expectations from their bank regarding the use of green products for their business needs

f. Customers are satisfied with the use of green products and services provided by them to them

g. Banks have a significant role in providing proper information about green products

h. Positive attitude of customers towards the use of green products and services by banks.

i. Banks have a significant role in providing proper information about the use of green products and services by banks

j. Banks have a significant role in providing proper information about the use of green products and services by banks

k. Green banking services have a positive impact on the satisfaction level of customers.

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